

COMMERCIAL ISLAMIC BANK OF IRAQ P.S.C.
(PRIVATE SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025



Mustafa Fouad Abbas & Co.

For auditing and monitoring Accounts

Members of Iraqi ACA

شركة مصطفى فؤاد عباس وشركاه

للتدقيق ومراقبة الحسابات التضامنية

أعضاء الجمعية العراقية للمحاسبين القانونيين

No: 22/1

DATE: 10 AUGUST 2025

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF COMMERCIAL ISLAMIC BANK OF IRAQ (PRIVATE SHAREHOLDING COMPANY)

BAGHDAD - IRAQ

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Islamic Bank of Iraq and its subsidiary (collectively the "Bank") as of 30 June 2025, and the related interim condensed consolidated statements of income, comprehensive income, changes in shareholders' equity, cash flows, and income and attribution related to quasi-equity for the six-month period then ended, and explanatory notes. Management of the Bank is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI) Financial Accounting Standard 41 (FAS 41) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

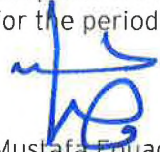
We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

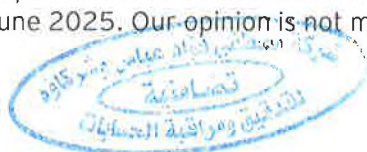
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41.

Emphasis of Matter

We draw attention to Notes 2 and 21 in the interim condensed financial statements, which describe the adoption of AAOIFI for the period ended 30 Jun 2025 Financial Accounting Standards for the first time for the period ended 30 June 2025. Our opinion is not modified in respect of this matter.



Mustafa Fouad Abbas
Certified Public Accountant
Baghdad - Iraq



Phone: 07700824139

Email: info@mustafa-audit.iq

Block 609 / Street 3 / Villa 23

Al Mansour – Baghdad – Iraq / P. O. Box 6004

موبايل: ٠٧٧٠٠٨٢٤١٣٩

محلة ٦٠٩ / زقاق ٣ / دار ٢٣

صندوق بريد ٦٠٠٤

المنصور - بغداد - العراق

COMMERCIAL ISLAMIC BANK OF IRAQ P.S.C.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2025 (REVIEWED)**

		30 June 2025 Reviewed	1 January 2025 Adjusted (Note 22)	31 December 2024 Audited
	Notes	IQD (000)	IQD (000)	IQD (000)
ASSETS				
Cash and balances with Central Bank of Iraq	3	63,989,828	144,821,616	144,821,616
Balances with banks, net	4	24,328,876	27,823,860	27,823,860
Financing receivables, net	5	6,834,502	7,426,551	7,426,551
Non-trading investments through other comprehensive income		1,514,733	1,448,313	1,448,313
Non-trading investments at amortized cost, net	6	409,638,134	339,934,237	339,934,237
Property, equipment and right of use assets, net		6,858,247	5,940,204	5,940,204
Other assets, net		8,307,793	6,498,797	6,498,797
Total assets		521,472,113	533,893,578	533,893,578
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Due to banks		80,834	1,093,975	1,093,975
Customers' accounts	7	81,003,724	105,214,503	151,304,503
Current tax liabilities	8	2,138,357	2,058,857	2,058,857
Other liabilities		23,155,627	23,420,586	23,420,586
Total liabilities		106,378,542	131,787,921	177,877,921
QUASI EQUITY				
Non-banks and individuals		47,931,572	46,090,000	-
Total quasi equity		47,931,572	46,090,000	-
SHAREHOLDERS' EQUITY				
Paid in capital	9	292,500,000	292,500,000	292,500,000
Statutory reserve		27,030,424	27,030,424	27,030,424
Other reserves		159,844	159,844	159,844
Fair value reserve		308,133	241,713	241,713
Retained earnings		47,163,598	36,083,676	36,083,676
Total Shareholders' equity		367,161,999	356,015,657	356,015,657
Total liabilities and Shareholders' equity		521,472,113	533,893,578	533,893,578

Mahmood Madi Anaem
HEAD OF FINANCE

Bassam Jaber
CHIEF EXECUTIVE OFFICER

Subject to our report number 22/1 dated on 10 August 2025

MUSTAFA FOUAD ABBAS
CHARTERED PUBLIC ACCOUNTANT

The accompanying notes 1 to 23 form an integral part of the interim condensed consolidated financial statements

COMMERCIAL ISLAMIC BANK OF IRAQ P.S.C.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED)

	Notes	Three months period ended 30 June		Six months period ended 30 June	
		2025	2024	2025	2024
		IQD (000)	IQD (000)	IQD (000)	IQD (000)
Financing and similar income	10	8,840,720	7,768,869	16,652,947	14,712,498
Finance and similar cost	11	(13,530)	(152,143)	(35,650)	(321,913)
Net distribution to quasi-equity	12	(363,711)	-	(696,628)	-
Net financing and similar income		8,463,479	7,616,726	15,920,669	14,390,585
Net fees and commissions		1,036,955	524,319	1,712,900	1,175,481
Gains from foreign exchange	13	1,857,999	3,551,586	3,445,505	6,892,178
Other operating income		37,842	8,437,215	92,319	8,476,539
Total operating Income		11,396,275	20,129,846	21,171,393	30,934,783
Employees' expenses		(1,983,840)	(1,661,862)	(3,477,282)	(2,772,652)
Depreciation of property, equipment and right of use assets		(362,133)	(303,504)	(703,537)	(599,843)
Other operating expenses		(2,810,994)	(3,258,977)	(5,622,782)	(5,947,328)
Total operating expenses		(5,156,967)	(5,224,343)	(9,803,601)	(9,319,823)
Operating profit before allowance for expected credit losses		6,239,308	14,905,503	11,367,792	21,614,960
Net recovery for expected credit losses	14	25,703	374,627	19,954	474,744
Profit before tax		6,265,011	15,280,130	11,387,746	22,089,704
Income tax expense	8	-	(302,832)	(79,500)	(784,765)
Net profit for the period		6,265,011	14,977,298	11,308,246	21,304,939
Basic and diluted earnings per share		IQD/Fils	IQD/Fils	IQD/Fils	IQD/Fils
		0/021	0/060	0/039	0/085



The accompanying notes 1 to 23 form an integral part of the interim condensed consolidated financial statements

COMMERCIAL ISLAMIC BANK OF IRAQ P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED)**

	Three months period ended 30 June		Six months period ended 30 June	
	2025	2024	2025	2024
	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Net profit for the period	6,265,011	14,977,298	11,308,246	21,304,939
Items that will not be reclassified subsequently to consolidated statement of income				
Net change in fair value of financial assets at fair value through other comprehensive income	62,666	(2,875)	66,420	12,687
Total other comprehensive Income (loss) for the period, net of the tax	62,666	(2,875)	66,420	12,687
Total comprehensive income for the period	6,327,677	14,974,423	11,374,666	21,317,626

The accompanying notes 1 to 22 form an integral part of the interim condensed consolidated financial statements

COMMERCIAL ISLAMIC BANK OF IRAQ P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED)**

	Paid in capital	Statutory reserve	Other reserves	Fair value reserve	Retained earnings	Total
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
30 June 2025						
At 1 January 2025	292,500,000	27,030,424	159,844	241,713	36,083,676	356,015,657
Total comprehensive income for the period	-	-	-	66,420	11,308,246	11,374,666
Cost of capital increase*	-	-	-	-	(228,324)	(228,324)
Balance at 30 June 2025	292,500,000	27,030,424	159,844	308,133	47,163,598	367,161,999
30 June 2024						
At 1 January 2024	250,000,000	23,212,737	159,844	161,044	44,174,299	317,707,924
Total comprehensive income for the period	-	-	-	12,687	21,304,939	21,317,626
Balance at 30 June 2024	250,000,000	23,212,737	159,844	173,731	65,479,238	339,025,550

* On 24 May 2025, the bank general assembly approved a capital increase of IQD 35.1 billion and the bank incurred transaction cost of IQD 228,324 thousand during the period as regulatory fees paid to complete the capitalization approvals, the capital increase was completed subsequent to 30 June 2025 (Note 22).

COMMERCIAL ISLAMIC BANK OF IRAQ P.S.C.
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED)**

		Six months period ended 30 June (Reviewed)	
		2025	2024
	Note	IQD (000)	IQD (000)
<u>Operating Activities</u>			
Profit before income tax		11,387,746	22,089,704
Adjustments for:			
Miscellaneous accruals		186,875	(8,117,295)
Depreciation of property, equipment and right of use assets		703,537	599,843
Net recovery for expected credit losses		(19,058)	(209,744)
Finance cost on lease		35,650	43,757
Provision of assets seized by the bank		-	704,816
Loss from lease modification		2,274	11,071
Cash flow from operating activities before changes in working capital		12,297,024	15,122,152
Changes in working capital:			
Decrease in financing receivables, net		915,721	4,166,847
(Increase) Decrease in other assets		(1,808,996)	1,776,676
(Decrease) Increase in customers' deposits		(70,300,779)	2,076,681
Increase in quasi equity		47,931,572	-
Increase in other liabilities		1,904,388	439,754
Decrease in companies' registration deposits		-	1,000,000
(Increase) Decrease in statutory reserve with CBI		(939,001)	4,617,755
(Increase) Decrease in LGs margin reserve with CBI		(2,414)	566
Net cash flows (used in) from operating activities before income tax		(10,002,485)	29,200,431
Income tax paid		-	(3,147,432)
Net cash flows (used in) from operating activities		(10,002,485)	26,052,999
<u>Investing Activities</u>			
Purchases of non-trading investments at amortized cost		(110,000,000)	(45,000,000)
Maturity of non-trading investments at amortized cost		5,562,504	45,900,547
Sold of non-trading investments at amortized cost		34,425,228	-
Purchase of property and equipment and projects in progress		(1,621,580)	(601,948)
Proceeds from sale of property		-	208
Net cash flows (used in) from investing activities		(71,633,848)	298,807
<u>Financing Activities</u>			
Dividends paid		(2,102,343)	(165,791)
Lease paid during the year		(285,145)	(243,971)
Cost of capital increase		(228,324)	-
Net cash flows used in financing activities		(2,615,812)	(409,762)
Net (decrease) increase in cash and cash equivalents		(84,252,145)	25,942,044
Cash and cash equivalents at beginning of the year		147,499,709	112,309,237
Cash and cash equivalents at end of the year	16	63,247,564	138,251,281

The accompanying notes 1 to 23 form an integral part of the interim condensed consolidated financial statements

COMMERCIAL ISLAMIC BANK OF IRAQ P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY****FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED)**

	six months period ended 30 June 2025 IQD (000) Reviewed
Gross Financing Income	16,652,947
Less: Income not attributable to quasi-equity	(13,797,928)
	2,855,019
Adjusted for:	
Less: Expenses attributable to quasi-equity	(818,244)
Less: Bank's share of income for its own / share of investments	(1,522,336)
Add :Net recovery for expected credit losses - attributable to quasi-equity	292,849
Total income available for quasi-equity	807,288
Wakala agency fees	(110,660)
Net distribution to quasi-equity *	696,628

* Quasi equity comprises of Wakala accounts.

1. CORPORATE INFORMATION

Commercial Islamic Bank of Iraq is a private shareholding company offering retail and corporate banking services in Iraq. The Bank was incorporated on 11 February 1992 and conducts its operations through 10 branches located in Baghdad, Basra and Najaf. The Bank's registered office is at Al-Sadoon Street, Baghdad, Iraq.

The Bank is a subsidiary of Ahli United Bank (Bahrain) ("the Parent") which owns 85.3% of the Bank's capital (2024: 85.3%). The consolidated financial statements of the Bank are consolidated with the Parent's consolidated financial statements.

Pursuant to the acquisition of the Parent by Kuwait Finance House K.S.C.P ("KFH") on 2 October 2022, KFH has become the ultimate parent effective from the acquisition date.

Accordingly, and based on the General Assembly and the Companies Registrar approvals, the Bank's name has been changed to "Commercial Islamic Bank of Iraq" on 16 October 2023 instead of Commercial Bank of Iraq. The Central Bank of Iraq has provided the bank time up to 31 March 2025 to convert its assets and liabilities to Sharia compliant products.

The Bank has completed the conversion to Sharia Compliant bank and has started its operations as a fully Sharia compliant bank effective from 1 January 2025 and currently offers wide range of Islamic banking products and services.

The Bank has 100% (2024: 100%) ownership interest in a subsidiary, Ahli United Brokerage and Investment Company ("the Subsidiary"), which was registered in Iraq on 3 July 2008. The principal activity of the subsidiary is brokerage. The Bank and its subsidiary are collectively known as ("the Bank").

2. ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The condensed interim consolidated financial statements of the Bank have been prepared in accordance with Financial Accounting Standard No. 41 (Interim Financial Reporting) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

The condensed interim consolidated financial statements have been prepared in accordance with the Financial Accounting Standards issued by AAOIFI, the principles and rules of Sharia as determined by the Bank's Sharia Supervisory Board, and in accordance with the applicable provisions of the Companies Law No. 21 of 1997 (as amended) and the Central Bank of Iraq Law No. 94 of 2004 and Islamic Banks Law No. 43 of 2015.

These financial statements are the first financial statements issued by the Bank in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) for the period of six months. The financial information for the prior period included in the consolidated financial statements as of 30 June 2024 and 31 December 2024, was prepared in accordance with the International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) and therefore is not comparable with the current period. For information on the Bank's conversion to the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), please refer to Note 21.

2. ACCOUNTING POLICIES (CONTINUED)

2.1. BASIS OF PREPARATION

The Bank follows the hierarchy of Sharia principles and rules as outlined in paragraph 165 of Financial Accounting Standard No. 1, "General Presentation and Disclosures in the Financial Statements."

For details on the accounting policies under the International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) for the comparative period ended 30 June 2024 and 31 December 2024, please refer to the reviewed interim condensed consolidated financial statements for the six months ended 30 June 2024 and audited financial statements for the year ended 31 December 2024.

The condensed interim consolidated financial statements of the Bank have been prepared on the historical cost basis, except for non-trading investments through other comprehensive income that are measured at fair value through equity, which are presented at fair value as of the financial statement date.

The condensed interim consolidated financial statements are presented in Iraqi Dinar, and all amounts have been rounded to the nearest thousand Iraqi Dinars, unless otherwise indicated. The Iraqi Dinar is the functional currency of the Bank and its subsidiary.

For matters not covered under the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), the Bank applies the International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB).

All income and expenses arising from activities that are not compliant with Sharia principles are dealt with based on the guidance of the Sharia Supervisory Board.

2.2. FIRST-TIME ADOPTION OF THE AAOIFI FINANCIAL REPORTING FRAMEWORK

As a result of the change in the financial reporting framework from International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) to the Accounting Standards of AAOIFI, the Bank adopted the application of AAOIFI Financial Accounting Standard No. 36 – First-time Adoption of AAOIFI Financial Accounting Standards in 2025.

Furthermore, in line with Financial Accounting Standard No. 36, the Bank has presented three periods for the financial reporting in the condensed interim consolidated statement of financial position, as of the end of the current period, as of the beginning of the current period, and as of the end of the previous year presented. The standard also requires the Bank to present the transitional effects arising from the first-time adoption of AAOIFI framework as outlined in note 21. According to management's assessment, there is no material transitional impact, except for the change in classification.

2. ACCOUNTING POLICIES (CONTINUED)

2.3. BASIS OF CONSOLIDATION

The condensed interim consolidated financial statements include the financial statements of the Bank and its subsidiary, which is under its control as of 30 June 2025, as the Bank has the ability to control the financial and operational policies of the subsidiary in order to obtain benefits from its activities. All balances, transactions, income, and expenses between the Bank and the subsidiary have been eliminated upon consolidation. The financial statements of the subsidiary have been prepared for the same year, as the Bank follows consistent accounting policies.

The paid-up capital of the subsidiary is 200 million Iraqi Dinars (2024: 200 million Iraqi Dinars), of which the Bank owns 100% as of 30 June 2025 (2024: 100%).

The Subsidiary's main activity is investment brokerage. The Subsidiary is fully consolidated from the date of acquisition, being the date on which the Bank obtained control, and continues to be consolidated until the date that such control ceases.

2.4. New and amended standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the interim condensed consolidated financial statements are disclosed below.

FAS 45 Quasi - Equity (Including Investment Accounts)

AAOIFI issued FAS 45 "Quasi - Equity (Including Investment Accounts)" in 2023. The objective of this standard is to establish the principles of financial reporting related to instruments classified as Quasi - Equity, such as investment accounts and similar instruments invested with Islamic Financial Institutions. Quasi - Equity is an element of financial statements of an institution in line with the "AAOIFI Conceptual Framework for Financial Reporting". This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted. The management is currently assessing the impact of the above accounting standard.

FAS 46 Off - Balance - Sheet Assets Under Management

AAOIFI issued FAS 46 "Off - Balance - Sheet Assets Under Management" in 2023. The objective of this standard is to establish the principles of financial reporting related off - balance - sheet assets under management in line with the "AAOIFI Conceptual Framework for Financial Reporting". This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted. The management is currently assessing the impact of the above accounting standard.

FAS 47 Transfer of Assets between Investment Pools

AAOIFI issued FAS 46 "Transfer of Assets between Investment Pools" in 2023. The objective of this standard is to establish the principles that apply in respect of transfer of assets between various investment pools of an Islamic Financial Institution. This standard shall be effective for the financial periods beginning on or after 1 January 2026 with early adoption permitted. The management is currently assessing the impact of the above accounting standard.

2. ACCOUNTING POLICIES (CONTINUED)

2.4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

FAS 48 Promotional Gifts and Prizes

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued Financial Accounting Standard No. (48) in the year 2024. The objective of this standard is to outline the accounting and financial reporting principles for recognition, measurement, presentation, and disclosure applicable to promotional gifts and prizes offered by Islamic financial institutions to their clients, including quasi-equity holders and other investment account holders.

This standard is effective for financial reporting periods beginning on or after January 1, 2026. The standard will be applied starting from January 1, 2026, and is not expected to have a material impact on the bank upon implementation.

FAS 49 Financial Reporting for Institutions Operating in Hyperinflationary Economies

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued Financial Accounting Standard No. (49) in the year 2024. This standard outlines the principles of financial reporting for institutions that apply AAOIFI financial accounting standards and operate in hyperinflationary economies, taking into account Shariah principles and rulings as well as the nature of their business models.

The AAOIFI Accounting Board acknowledges that the economic environment in many countries experiencing severe inflation often renders financial statements prepared in accordance with AAOIFI standards less relevant and not comparable across multiple reporting periods. Therefore, the Board recognized the need for institutions that follow AAOIFI standards in such economic environments to apply specific financial reporting requirements that enhance the relevance and comparability of their financial statements.

The Board also acknowledged that certain financial reporting requirements under generally accepted accounting principles (GAAP) may not be suitable for institutions applying AAOIFI standards, due to the specific requirements of Shariah principles and the unique characteristics of their business models. Accordingly, the Board decided to issue a dedicated standard on this subject.

This standard is effective for financial reporting periods beginning on or after January 1, 2026. However, it is encouraged that all institutions operating in hyperinflationary economies apply the standard from the date of its issuance to ensure comparability of financial results. The standard will be applied starting from January 1, 2026, and is not expected to have a material impact on the bank upon implementation.

2. ACCOUNTING POLICIES (CONTINUED)

2.4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

FAS 50 Financial Reporting for Islamic Investment Institutions (Including Investment Funds)

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued Financial Accounting Standard No. (50) in the year 2024. This standard supersedes Financial Accounting Standard No. (14) titled "Investment Funds." It outlines the financial reporting principles applicable to Islamic investment institutions, with a specific focus on achieving consistency and providing a unified basis for the format and content of financial statements of such institutions.

The standard also sets out general presentation requirements, minimum content specifications, and a recommended structure for financial statements, aiming to enhance fair and faithful presentation in accordance with Shariah principles and rulings.

This standard is effective for financial reporting periods beginning on or after January 1, 2027. It will be applied starting from January 1, 2027, and is not expected to have a material impact on the bank upon implementation.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED)

3. CASH AND BALANCES WITH CENTRAL BANK OF IRAQ

	30 June 2025 Reviewed IQD (000)	31 December 2024 Audited IQD (000)
Cash on hand *	18,369,216	20,055,995
Balances with Central Bank of Iraq:		
Current accounts	20,625,522	100,711,946
Statutory cash reserve **	24,411,225	23,472,224
LGs margin reserve ***	560,865	558,451
Companies registration deposits and capital injection ****	23,000	23,000
	45,620,612	124,765,621
	63,989,828	144,821,616

* Cash on hand includes foreign currency balances amounting to IQD 7,523,646 thousand, (2024: IQD 11,747,287thousand).

** These amounts represent statutory cash reserve held by Central Bank of Iraq (CBI) and are non-profit-bearing and not available for use in the Bank's day-to-day operations. The minimum statutory cash reserve for total IQD deposits and non USD deposits are 18% and the USD deposits must have a minimum of 20%

*** According to CBI Instructions dated 2 May 2017, a reserve against letters of guarantee was established. These amounts are held at CBI to face any deficit in covering claims against unpaid letters of guarantee and are non-profit-bearing and not available for use in Bank's day-to-day operations.

**** These amounts represent deposits paid by companies yet to be incorporated, the Bank deposits these amounts into dedicated account with Central Bank of Iraq (CBI). These amounts are non-profit-bearing and not available for use in Bank's day-to-day operations.

4. BALANCES WITH BANKS, NET

	30 June 2025 Reviewed		
	Inside Iraq IQD (000)	Outside Iraq IQD (000)	Total IQD (000)
Current accounts	107,598	9,226,562	9,334,160
Time deposits	-	14,999,500	14,999,500
Less: allowance for ECL *	(4,784)	-	(4,784)
	102,814	24,226,062	24,328,876

	31 December 2024 Audited		
	Inside Iraq IQD (000)	Outside Iraq IQD (000)	Total IQD (000)
Current accounts	95,600	18,560,143	18,655,743
Time deposits	-	9,170,000	9,170,000
Less: allowance for ECL *	(1,883)	-	(1,883)
	93,717	27,730,143	27,823,860

Current and time deposits accounts with banks include foreign currency balances amounting to IQD 24,226,062 thousand as of 30 June 2025 (31 December 2024: 27,730,215 IQD thousand). The above balances with banks do not include any past due or impaired balances as of 30 June 2025 and 31 December 2024.

4. BALANCES WITH BANKS, NET (CONTINUED)

	30 June 2025 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
High standard grade	-	-	-	-
Standard grade	24,333,660	-	-	24,333,660
	24,333,660	-	-	24,333,660
Less: allowance for ECL	(4,784)	-	-	(4,784)
	24,328,876	-	-	24,328,876

	31 December 2024 IQD (000) Audited			
	Stage 1	Stage 2	Stage 3	Total
High standard grade	-	-	-	-
Standard grade	27,825,743	-	-	27,825,743
	27,825,743	-	-	27,825,743
Less: allowance for ECL	(1,883)	-	-	(1,883)
	27,823,860	-	-	27,823,860

* The movement of the allowance for expected credit losses of Balances with banks is as follows:

	30 June 2025 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	1,883	-	-	1,883
Transfer from stage 1	-	-	-	-
Transfer from stage 2	-	-	-	-
Transfer from stage 3	-	-	-	-
Net remeasurement of ECL	2,901	-	-	2,901
At 30 June	4,784	-	-	4,784

4. BALANCES WITH BANKS, NET (CONTINUED)

	31 December 2024 IQD (000) Audited			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	2,039	-	-	2,039
Transfer from stage 1	-	-	-	-
Transfer from stage 2	-	-	-	-
Transfer from stage 3	-	-	-	-
Net remeasurement of ECL	(156)	-	-	(156)
At 31 December	1,883	-	-	1,883

5. FINANCING RECEIVABLES, NET

	30 June 2025 Reviewed IQD (000)	31 December 2024 Audited IQD (000)
Retail	6,916,404	7,890,976
Gross Financing receivables	6,916,404	7,890,976
Less: allowance for ECL *	(74,472)	(398,144)
Less: suspended income**	(7,430)	(66,281)
	6,834,502	7,426,551

	30 June 2025 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
High standard grade	-	-	-	-
Standard grade	6,609,413	231,799	-	6,841,212
Impaired (net of suspended income)	-	-	67,762	67,762
	6,609,413	231,799	67,762	6,908,974
Less: allowance for ECL	(6,510)	(10,170)	(57,792)	(74,472)
	6,602,903	221,629	9,970	6,834,502

5. FINANCING RECEIVABLES, NET (CONTINUED)

	31 December 2024 IQD (000) Audited			
	Stage 1	Stage 2	Stage 3	Total
High standard grade	-	-	-	-
Standard grade	7,246,570	337,560	-	7,584,130
Impaired (net of suspended income)	-	-	240,565	240,565
	7,246,570	337,560	240,565	7,824,695
Less: allowance for ECL	(82,269)	(105,158)	(210,717)	(398,144)
	7,164,301	232,402	29,848	7,426,551

The movement of the financing receivables net of suspended income as follows:

	30 June 2025 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	7,246,570	337,560	240,565	7,824,695
Additions during the year	300,000	-	-	300,000
Paid-off during the year	(798,737)	(237,410)	(179,574)	(1,215,721)
Transfer from stage 1	(138,420)	138,420	-	-
Transfer from stage 2	-	(6,771)	6,771	-
At 30 June	6,609,413	231,799	67,762	6,908,974

	31 December 2024 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	10,666,364	748,344	535,760	11,950,468
Additions during the year	-	-	-	-
Paid-off during the year	(2,685,004)	(830,228)	(610,541)	(4,125,773)
Transfer from stage 1	(734,790)	637,686	97,104	-
Transfer from stage 2	-	(218,242)	218,242	-
At 31 December	7,246,570	337,560	240,565	7,824,695

5. FINANCING RECEIVABLES, NET (CONTINUED)

* The movement of the ECL allowances of financing receivables as follows:

	30 June 2025 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	82,269	105,158	210,717	398,144
Transfer from stage 1	(1,012)	1,012	-	-
Transfer from stage 2	-	(1,244)	1,244	-
Net remeasurement of ECL	(74,747)	(94,756)	(154,169)	(323,672)
At 30 June	6,510	10,170	57,792	74,472

	31 December 2024 IQD (000) Audited			
	Stage 1	Stage 2	Stage 3	Total
At 1 January:	110,870	239,780	308,571	659,221
Transfer from stage 1	(6,508)	6,038	470	-
Transfer from stage 2	-	(57,670)	57,670	-
Net remeasurement of ECL	(22,093)	(82,990)	(155,994)	(261,077)
At 31 December	82,269	105,158	210,717	398,144

** The movement of the suspended income is as follows:

	30 June 2025 Reviewed IQD (000)	31 December 2024 Audited IQD (000)
At 1 January	66,281	75,541
Additions	6,349	18,306
Recoveries	(65,200)	(27,566)
At period / year end	7,430	66,281

6. NON-TRADING INVESTMENTS AT AMORTIZED COST

	30 June 2025 Reviewed IQD (000)	31 December 2024 Audited IQD (000)
National bonds*	410,000,000	300,000,000
Government bonds	-	39,987,732
	410,000,000	339,987,732
Less: Allowance for ECL**	(361,866)	(53,495)
	409,638,134	339,934,237

The following are the balances of non-trading investments at amortized cost classified by stages:

	30 June 2025 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
High standard grade	410,000,000	-	-	410,000,000
Standard grade	-	-	-	-
	410,000,000	-	-	410,000,000
Less: Allowance for ECL**	(361,866)	-	-	(361,866)
	409,638,134	-	-	409,638,134

	31 December 2024 IQD (000) Audited			
	Stage 1	Stage 2	Stage 3	Total
High standard grade	339,987,732	-	-	339,987,732
Standard grade	-	-	-	-
	339,987,732	-	-	339,987,732
Less: Allowance for ECL**	(53,495)	-	-	(53,495)
	339,934,237	-	-	339,934,237

* The average yield rate of National bonds IQD is 8.3% maturing between 2025 and 2029.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED)**
6. NON-TRADING INVESTMENTS AT AMORTIZED COST (CONTINUED)

	30 June 2025 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	339,987,732	-	-	339,987,732
Additions during the period	110,000,000	-	-	110,000,000
Matured during the period	(5,562,504)	-	-	(5,562,504)
Sold during the period	(34,425,228)	-	-	(34,425,228)
At 30 June	410,000,000	-	-	410,000,000

	31 December 2024 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	317,256,725	-	-	317,256,725
Additions during the period	120,000,000	-	-	120,000,000
Matured during the period	(56,003,993)	-	-	(56,003,993)
Sold during the period	(41,265,000)	-	-	(41,265,000)
At 31 December	339,987,732	-	-	339,987,732

** The movements on the allowance for expected credit losses for non-trading investments at amortized cost were as follows:

	30 June 2025 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
At 1st January	53,495	-	-	53,495
Net remeasurement of ECL	308,371	-	-	308,371
At 30 June	361,866	-	-	361,866

	31 December 2024 IQD (000) Audited			
	Stage 1	Stage 2	Stage 3	Total
At 1st January	137,751	-	-	137,751
Net remeasurement of ECL	(84,256)	-	-	(84,256)
At 31 December	53,495	-	-	53,495

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED)**
7. CUSTOMERS' DEPOSITS

	30 June 2025	31 December 2024
	IQD (000)	IQD (000)
Current and call deposits	55,525,432	122,570,845
Cash margin	21,615,610	23,521,280
Saving accounts	3,862,682	5,212,378
	81,003,724	151,304,503

8. CURRENT TAX LIABILITIES**Income tax liability**

The movement on income tax liability was as follows:

	30 June 2025 Reviewed	31 December 2024 Audited
	IQD (000)	IQD (000)
At January 1	2,058,857	3,149,361
Income tax charged for the period / year	79,500	2,056,928
Income tax paid during the period / year	-	(3,147,432)
	2,138,357	2,058,857

The reconciliation between the tax profit and the accounting profit for the six-months period ended 30 June 2025 and 30 June 2024 is as follows:

	30 June 2025 Reviewed	30 June 2024 Reviewed
	IQD (000)	IQD (000)
Accounting profit before income tax	11,387,746	22,089,704
Nontaxable income	(13,241,460)	(17,945,373)
Nondeductible expenses	2,383,714	1,087,434
Taxable profit	530,000	5,231,765
Current income tax at Iraqi statutory income tax rate 15% (2024:15%)	79,500	784,765

The taxable profit subject to tax for the period 30 June 2025 is IQD 530,000 thousand (30 June 2024: 5,231,765 thousand).

Effective income tax rate as of 30 June 2025 is 0.7% (30 June 2024: 3.5%).

9. PAID IN CAPITAL

On 2 August 2023, the CBI issued its circular No. 9/2/439, in which it mandates all Iraqi banks to rise the capital to IQD 400 billion by 31 December 2024. Pursuant to this, the Bank increased its capital by IQD 42.5 billion on 4 November 2024 to become IQD 292.5 billion. On 22 April 2025, the CBI, in its letter 9/4/4139, granted the Bank additional time to make the required capital increase by 30 September 2025.

Subsequently, the Bank made its second capitalization and increased its capital by of IQD 35.1 billion on 15 July 2025 to become IQD 327.6 billion.

10. FINANCING AND SIMILAR INCOME

	Three months period ended 30 June Reviewed		Six months period ended 30 June Reviewed	
	2025	2024	2025	2024
	IQD (000)	IQD (000)	IQD (000)	IQD (000)
National bonds	8,042,361	4,946,111	14,611,111	8,586,111
Government bonds	426,844	1,748,050	1,089,586	3,460,588
Finance receivables	173,201	273,410	391,752	572,621
Islamic certificates of deposit with CBI	53,847	545,706	295,385	1,341,346
Due from banks	144,467	255,592	265,113	623,036
Treasury bills	-	-	-	128,796
	<u>8,840,720</u>	<u>7,768,869</u>	<u>16,652,947</u>	<u>14,712,498</u>

11. FINANCE AND SIMILAR COST

	Three months period ended 30 June Reviewed		Six months period ended 30 June Reviewed	
	2025	2024	2025	2024
	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Finance cost on lease	13,530	13,064	35,650	43,757
Cash margin	-	139,079	-	278,156
	<u>13,530</u>	<u>152,143</u>	<u>35,650</u>	<u>321,913</u>

12. NET DISTRIBUTION TO QUASI-EQUITY

	Three months period ended 30 June Reviewed		Six months period ended 30 June Reviewed	
	2025	2024	2025	2024
	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Non-banks and individuals	363,711	-	696,628	-
	<u>363,711</u>	<u>-</u>	<u>696,628</u>	<u>-</u>

13. GAINS FROM FOREIGN EXCHANGE

	Three months period ended 30 June Reviewed		Six months period ended 30 June Reviewed	
	2025	2024	2025	2024
	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Gains from sales of foreign currencies	1,005,724	3,551,586	2,165,658	6,892,178
Net gains from foreign currency auction operations *	852,225	-	1,279,326	-
Gains from exchange rate revaluation	50	-	521	-
	<u>1,857,999</u>	<u>3,551,586</u>	<u>3,445,505</u>	<u>6,892,178</u>

During the year 2025, the bank purchased USD from the Central Bank of Iraq through the foreign currency auction window on behalf of its customers in the amount of USD 127,932,593 at an exchange rate of 1,310 IQD per USD. The bank sold the USD to customers during the period at an exchange rate of 1,320 IQD per USD.

14. NET RECOVERY FOR EXPECTED CREDIT LOSSES

	Three months period ended 30 June Reviewed		Six months period ended 30 June Reviewed	
	2025	2024	2025	2024
	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Financing receivables, net (Note 5)	24,423	111,770	323,672	193,427
Recovery of written-off direct credit facilities	896	265,000	896	265,000
Indirect contingent liabilities	(869)	(2,149)	6,658	822
Balances with banks, net (Note 4)	1,253	7	(2,901)	190
Non-trading investments at amortized cost net (Note 6)	-	(1)	(308,371)	15,305
	<u>25,703</u>	<u>374,627</u>	<u>19,954</u>	<u>474,744</u>

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

A. Fair value of financial assets and liabilities of the Bank measured in fair value continuously:

The Bank is revaluing financial assets at fair value through other comprehensive income at the end of each reporting period and the table below shows information related to determining the fair value:

	Fair value IQD (000)		Fair value level
	30 June 2025	31 December 2024	
Financial assets at fair value through other comprehensive income	695,259	628,839	Level 1
Financial assets at fair value through other comprehensive income	819,474	819,474	Level 3

B. Fair value of financial assets and liabilities, other than those disclosed in the table below approximate their carrying values:

	30 June 2025		31 December 2024		Fair value level
	Total carrying amount IQD (000)	Total fair value IQD (000)	Total carrying amount IQD (000)	Total fair value IQD (000)	
Financial assets at amortized cost	80,000,000	81,749,810	119,987,732	120,753,444	Level 1
Financial assets at amortized cost	330,000,000	330,000,000	220,000,000	218,160,000	Level 2

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the interim condensed consolidated statement of cash flows consist of the following:

	30 June 2025 Reviewed IQD (000)	30 June 2024 Reviewed IQD (000)
Cash and balances with Central Bank	63,989,828	147,687,225
Add: Due from banks	24,333,660	15,481,408
Less: Due to banks	(80,834)	(292,185)
Less: Statutory reserve with Central Bank	(24,411,225)	(24,010,240)
Less: LGs margin reserve	(560,865)	(591,927)
Less: Companies registration deposits	(23,000)	(23,000)
	<u>63,247,564</u>	<u>138,251,281</u>

17. RELATED PARTIES BALANCES AND TRANSACTIONS

The Bank enters business transactions in the ordinary course of business with the parent bank and its subsidiaries and associates at commercial income and commission rates.

The following related party balances and transactions took place during the period/year:

		30 June 2025 Reviewed	31 December 2024 Audited
	Nature of relationship	IQD (000)	IQD (000)
<u>Consolidated statement of financial position:</u>			
Due from banks	Parent Bank	19,974,515	13,910,028
Due to banks	Parent Bank	80,432	1,093,573
Other liabilities	Parent Bank	5,494,535	5,918,818
<u>Off balance items:</u>			
Letters of guarantee	Parent Bank	91,825,607	75,357,490
		30 June 2025 Reviewed	30 June 2024 Reviewed
		IQD (000)	IQD (000)
<u>Consolidated income statements items</u>			
profit and commission income	Parent Bank	269,635	623,036
Management fees	Parent Bank	1,258,225	2,367,928

Related parties' transactions are with the parent bank and its subsidiaries and associates, and no transactions are with the members of the board of directors.

Compensation of the key management personnel is as follows:

	Nature of relationship	30 June 2025 Reviewed	30 June 2024 Reviewed
		IQD (000)	IQD (000)
Executive management salaries	Executive Management	475,563	459,030

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED)

18. SEGMENT INFORMATION

A) Information about bank activities

For management purposes, the Bank is organized into the below major segments that are measured according to the reports used by the main decision maker at the Bank:

- Retail banking
- Corporate banking
- Treasury and investments

These segments form the basis on which the bank presents its primary segment information.

				Total	
	Retail	Corporate	Treasury and Investments	30 June 2025 Reviewed	30 June 2024 Reviewed
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Total income	444,411	860,553	19,866,429	21,171,393	30,934,783
Net (allowance) recovery of credit losses	324,568	-	(304,614)	19,954	474,744
Segment results	768,979	860,553	19,561,815	21,191,347	31,409,527
Operating expenses	(834,957)	(936,079)	(8,032,565)	(9,803,601)	(9,319,823)
Profit before tax	(65,978)	(75,526)	11,529,250	11,387,746	22,089,704
Income tax	-	-	(79,500)	(79,500)	(784,765)
Net profit for the period	(65,978)	(75,526)	11,449,750	11,308,246	21,304,939

	Retail	Corporate	Treasury and Investments	30 June 2025 Reviewed	31 December 2024 Audited
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Other information					
Segment assets	6,834,501	-	499,471,572	506,306,073	521,454,577
Unallocated assets	7,932,145	1,927	7,231,968	15,166,040	12,439,001
Total Assets	14,766,646	1,927	506,703,540	521,472,113	533,893,578
Segment liabilities	66,741,742	12,163,214	2,179,601	81,084,557	152,398,478
Unallocated liabilities	168,598	711,871	24,413,516	25,293,985	25,479,443
Total Liabilities	66,910,340	12,875,085	26,593,117	106,378,542	177,877,921
Quasi Equity	-	47,931,572	-	47,931,572	-
Capital expenditure				1,621,580	2,048,886
Depreciation of property, equipment and right of use assets				703,537	1,253,484

18. SEGMENT INFORMATION (Continued)

B) Geographical Information

The following table shows the distribution of the Bank's operating income, assets and liabilities by geographic segment.

	Inside Iraq		Outside Iraq		Total	
	30 June 2025 Reviewed	30 June 2024 Reviewed	30 June 2025 Reviewed	30 June 2024 Reviewed	30 June 2025 Reviewed	30 June 2024 Reviewed
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Total Income	20,901,758	30,311,747	269,635	623,036	21,171,393	30,934,783

	Inside Iraq		Outside Iraq		Total	
	30 June 2025 Reviewed	31 December 2024 Audited	30 June 2025 Reviewed	31 December 2024 Audited	30 June 2025 Reviewed	31 December 2024 Audited
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Total Assets	497,246,051	506,163,435	24,226,062	27,730,143	521,472,113	533,893,578
Total Liabilities	100,803,575	170,865,530	5,574,967	7,012,391	106,378,542	177,877,921

19. CAPITAL MANAGEMENT

The Bank manages its capital on a constant basis to cover the risks associated with its activities. This process includes measuring its capital adequacy according to the percentages set by the Central Bank of Iraq.

The main purpose of managing the Bank's capital is to ensure compliance with capital adequacy regulations and therefore, protect the shareholders' interests in the Bank's assets, and to support the operations of the Bank's various segments.

19. CAPITAL MANAGEMENT (Continued)

	30 June 2025 Reviewed IQD (000)	31 December 2024 Audited IQD (000)
<u>Primary capital</u>		
Paid in capital	292,500,000	292,500,000
Statutory reserve	26,995,464	26,995,464
Other reserves	467,977	401,557
Retained earnings	40,543,014	35,718,253
Total Primary capital	360,506,455	355,615,274
<u>Supplementary capital</u>		
General provisions	16,680	187,427
Total Supplementary capital	16,680	187,427
Total primary and supplementary capital	360,523,135	355,802,701
Total risk weighted assets	214,131,213	198,650,339
Capital adequacy (%)*	168.4%	179.1%

* The Bank's capital ratio is calculated in accordance with the capital adequacy guidelines under Basel III as issued by the Central Bank of Iraq. The minimum capital adequacy ratio is 12.5% (2024: 12.5%). The Bank capital ratio is 168.4% as of 30 June 2025 (2024: 179.1%).

20. COMMITMENTS AND CONTINGENT LIABILITIES

The totals outstanding commitments and contingent liabilities are as follows:

	30 June 2025 Reviewed IQD (000)	1 January 2025 Adjusted IQD (000)	31 December 2024 Audited IQD (000)
Letters of guarantee	117,691,231	97,352,192	97,352,192
Letter of Credit	203,550	203,550	203,550
	117,894,781	97,555,742	97,555,742

21. ITEMS NOT COMPLIANT WITH SHARIA

The change in this item represents amounts received by the Bank from sources or through means that are not compliant with the principles and rules of Islamic Sharia, and the related income has been excluded from the Bank's revenues. The Bank did not generate any income that is non-compliant with Sharia principles during the period.

The balance of non-compliant Sharia financing receivables amounted to IQD 82,999 thousand. No income is recognized on these financings as they are classified as non-performing; therefore, the Bank has no non-compliant Sharia income.

22. CHANGES RESULTING FROM THE CONVERSION TO AAOIFI FINANCIAL ACCOUNTING STANDARDS

There was no material effect of the conversion to AAOIFI on the interim condensed consolidated financial statements except for reclassification of the balances under the items below. This reclassification does not have an effect on the net income and shareholders' equity of prior period/year.

Presentation of the Condensed Interim Consolidated Statement of Financial Position

- The item "Direct credit facilities, net" has been renamed to "Financing receivables, net".
- The item "Financial assets at fair value through other comprehensive income" has been renamed to "Non-trading investments through other comprehensive income".
- The item "Financial Assets at Amortized Cost, Net" has been renamed to "Non-trading investments at amortized cost, net".
- Quasi equity has been recognized in the statement of financial position, which were previously presented under liabilities in accordance with International Financial Reporting Standards (IFRS). Accordingly, an amount of IQD 46,090,000 thousand has been reclassified as at 1 January 2025.

	1 January 2025		1 January 2025
	Before adjustments	Adjustments	After adjustments
	IQD (000)	IQD (000)	IQD (000)
Customers' accounts	151,304,503	(46,090,000)	105,214,503
Quasi equity	-	46,090,000	46,090,000
	<u>151,304,503</u>	<u>-</u>	<u>151,304,503</u>

Presentation of the Interim Condensed Consolidated Statement of Income

During the period, the Bank changed the presentation of the statement of income in accordance with the requirements of Financial Accounting Standard No. 1 (amended in 2021), "General Presentation and Disclosures in the Financial Statements." As a result of this change, several reclassifications were made to certain line items in the interim condensed consolidated statement of income. The presentation of comparative figures was adjusted to reflect the reclassifications applied in the current period.

**22. CHANGES RESULTING FROM THE CONVERSION TO AAOIFI FINANCIAL ACCOUNTING STANDARDS
(CONTINUED)**

The Bank implemented these changes to improve the quality of the disclosed information, and they had no impact on net profit or equity. In order to comply with the requirements of Financial Accounting Standard No. 1 regarding the presentation of the statement of profit or loss, the following adjustments were applied:

- The item "Interest income" has been renamed to "Financing income and similar Income"
- The item "Interest expenses" has been renamed to "Financing costs and similar costs"
- Recognizing the item "Net distribution to Quasi-Equity" in the interim condensed consolidated statement of income

Condensed Interim Consolidated Statement of Cash Flows:

There was no impact on the statement of cash flows, except for the changes in terminology mentioned above.

Condensed Interim Consolidated Statement of Income and Attribution Related to Quasi-Equity:

The condensed interim statement of income and attribution related to quasi-equity has been introduced in the Bank's financial statements in accordance with the requirements of Financial Accounting Standard No. 1.

23. SUBSEQUENT EVENTS

The Bank made its second capitalization and increased its capital by of IQD 35.1 billion on 15 July 2025 to become IQD 327.6 billion.